

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the Matter of:

U. S. Credit Management, Inc.
5601 North MacArthur, 4th Floor
Irving, TX, 75038

Enforcement Case No. 05-3164

Respondent

Issued and entered
this 15th day of June, 2005
by Linda A. Watters
Commissioner

ORDER TO CEASE AND DESIST

The Office of Financial and Insurance Services (OFIS) of the Michigan Department of Labor & Economic Growth, pursuant to the Administrative Procedures Act, PA 306 of 1969, as amended; MCL 24.201 *et seq.*; the Debt Management Act, PA 148 of 1975, as amended; MCL 451.411 *et seq.* (Act), and the rules promulgated under the Act, R 451.1221 *et seq.*, says that:

**I.
BACKGROUND**

1. U. S. Credit Management, Inc. (Respondent) has a physical address of: 5601 North MacArthur, 4th Floor, Irving, TX, 75038 and a mailing address of: P.O. Box 631430, Irving, TX 75063-1430.
2. At all times herein, Milton E. Carrero Valentin was the Director of U. S. Credit Management, Inc.
3. At all times herein, Respondent operated a website at:
<http://www.uscreditmanagement.com>
4. Section 3(1) of the Act, MCL 451.413(1), provides that a person engaged in the business of debt management is rendering a financial planning service and must obtain a license under the Act.

5. Section 4(1) of the Act, MCL 451.414(1), provides that a person located within or outside of the boundaries of this State shall not engage in the business of debt management without first obtaining a license as required in the Act.
6. Section 4(1) of the Act, MCL 451.414(1), further provides that a contract of debt management made by a person without a license is null and void.
7. Section 2(a) of the Act, MCL 451.412(a), defines the “business of debt management” as providing or offering to provide debt management to 1 or more residents of this State.
8. Section 2(d) of the Act, MCL 451.412(d), defines “debt management” as the planning and management of the financial affairs of a debtor and the receipt of money from the debtor for distribution to a creditor in payment or partial payment of the debtor's obligations.
9. At all time herein, Respondent was engaged in the business of debt management within the State of Michigan.
10. At all times herein, Respondent was not licensed by the Office of Financial and Insurance Services (OFIS) to engage in the business of debt management within the State of Michigan.
11. On October 26, 2004, the Office of Financial and Insurance Services received a complaint from P. H. Sanders, (Complainant), a Michigan resident concerning the Respondent.
12. On October 26, 2004, the Complainant sent a letter to the Respondent canceling his debt management contract.
13. On February 11, 2004, the Complainant entered into a debt management contract with the Respondent.
14. Section 23 of the Act, MCL 451.433 allows OFIS to require a person to respond in writing as to all the facts and circumstances concerning the matter OFIS is investigating and produce all requested documents.
15. On November 16, 2004, OFIS sent Respondent a certified letter, directed to 5601 North MacArthur, 4th Floor, Irving, TX, 75038, asking for certain information about U.S. Credit Management Inc.
16. On November 22, 2004, Respondent received the letter.
17. Respondent failed to respond to the November 16, 2004 letter.

18. Failure to file the statement with all required information within 15 days after receipt of a departmental letter requesting it shall be the basis for issuance of a cease and desist order.

II. CONCLUSIONS OF LAW

WHEREAS, Section 23 of the Act, MCL 451.433 states that when it appears to the Office of Financial and Insurance Services, either upon complaint or otherwise, that this Act, or a rule promulgated under this Act, has or is about to be violated, it may, in its discretion, either issue a cease and desist order or require the person to file with it a statement in writing, under oath, or otherwise, as to all the facts and circumstances concerning the subject matter which it believes to be in the public interest to investigate those facts, and where appropriate, with or without the request for information, issue a cease and desist order; and

WHEREAS, the Commissioner of the Office of Financial and Insurance Services finds that a person must be licensed under Section 3(1) and 4(1) of the Act, MCL 451.413 and 451.414, in order to engage in the business of debt management; and

WHEREAS, a person is required to respond to a request by OFIS under Section 23(3)(b) and (4) of the Act, MCL 451.433(3)(b) and (4); and

WHEREAS, based on the foregoing, OFIS Staff advised the Commissioner that Respondent is engaged in acts and practices that violate Sections 3, 4, and 23 of the Act, MCL 451.413, 451.414, and 451.433, and Rules promulgated under the Act; and

WHEREAS, the Commissioner finds this action necessary, appropriate and in the public interest for the protection of the public and consistent with the purposes fairly intended by the policy and provisions of the Act.

IT IS THEREFORE ORDERED, pursuant to Section 23(1) of the Act, MCL 451.433(1) that:

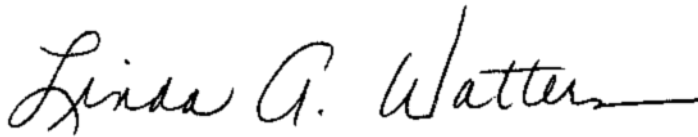
1. The Respondent shall immediately CEASE AND DESIST from transacting debt management business without being licensed under the Act in and from the State of Michigan.
2. The Respondent shall within 30 days of entry of this Order refund any money still held in the Complainant account.

Failure to comply with this ORDER is a misdemeanor and will subject you to the following, for each violation:

- a. A penalty of not more than \$5,000 and or imprisonment for not more than 6 months.
- b. A person who violates a cease and desist order issued pursuant to this Act is guilty of criminal contempt.

Any communication regarding this Order should be addressed to the Office of Financial and Insurance Services, Attention: William Peattie, P.O. Box 30220, Lansing, Michigan 48909.

MICHIGAN DEPARTMENT OF
LABOR AND ECONOMIC GROWTH

A handwritten signature in black ink that reads "Linda A. Watters". The signature is fluid and cursive, with a long horizontal stroke at the end.

Linda A. Watters, Commissioner
Office of Financial and Insurance Services